

TRANSCRIPT: FELIX SATER COMES TO BERKELEY

Video available at www.investigativestudios.org/felixsater

[TITLE CARD 1]

Last September, Felix Sater, a long-time business associate of Donald Trump before Mr. Trump became the Republican presidential nominee, visited the seminar on investigative reporting at UC Berkeley's Graduate School of Journalism conducted by Lowell Bergman, the Reva and David Logan Distinguished Chair in Investigative Journalism.

The revelation that Mr. Sater had a criminal history, including ties to organized crime, have made him a focus of media attention and now, of Congress.

[TITLE CARD 2]

On Wednesday, March 27th, 2019, Felix Sater is scheduled to testify in an open session of the House Intelligence Committee investigating President Trump, and the next day in a closed session of the House Judiciary Committee.

To help understand Mr. Sater's role in the many controversies surrounding President Trump, we decided to publish an edited version of the seminar conversation, which was memorialized on video. We have posted an annotated transcript of the video, based on our extensive reporting about Felix Sater, on our website. It is part of an ongoing reporting project by Investigative Studios about Donald Trump, Russia, and the 2016 election.

[IMAGE: SATER ARRIVES]

VOICE OVER: A FORMER BUSINESS PARTNER OF PRESIDENT DONALD TRUMP, FELIX SATER HAS BEEN CALLED A "CONVICTED RUSSIAN MOBSTER" IN CONGRESS AND THE "LINK" BETWEEN MR. TRUMP, RUSSIA, AND ORGANIZED CRIME BY THE PRESS. MR. SATER ACCEPTED AN INVITATION TO COME TO OUR SEMINAR TO PRESENT HIS SIDE OF THE STORY AND AIR HIS COMPLAINTS ABOUT THE MEDIA.

FELIX SATER:

My experience with the media has been fairly negative, for the most part. Maybe about, I'd say about 95%. It has caused death threats and literally was the cherry on the cake and caused me to get divorced, caused my children to basically have to change their last name. The only thing they want to write about is "margarita glass wielding gangster and Donald Trump associate."

When I say "the media," I just, I'm clearly referring to people that write what I believe is jaded or inappropriate or unfair. I'm not painting the entire media with that brush. I actually respect journalism.

LOWELL BERGMAN: Ok everybody thinks you're a gangster, everybody thinks you're a violent felon. But, things did happen.

SATER: Is that why you don't have any glassware on the table?

BERGMAN: No sharp objects you can grab.

SATER: A paper cup with some coffee would have sufficed.

BERGMAN: Would you like a cappuccino? We'll get you a cappuccino...How did you get that reputation?

SATER: I got into a bar fight. I was very tipsy, he was very tipsy. We got into a bar fight. He went for a beer bottle, I went for a margarita glass. And no, I didn't break the glass and then get on top of him and start trying to carve my initials in his face, ok? There was a fight. He grabbed a bottle, I grabbed a margarita glass, I hit him before he hit me. Period end of story.

I was sent to jail. I lost my license - my stock broker's license. Couldn't get a job. Couldn't even get a job driving a cab. I don't know if you know, you can't get a job at McDonald's. You can't get a job driving a cab. Because once you have a conviction, that's it, you're done. And this was an assault conviction, a bar fight. But I couldn't get a job. I had a three-month-old child and no money. I got involved in a stock scam.

A lot of the brokers and people who were involved were from Brooklyn and Staten Island, areas where there is a lot of mobsters and everybody growing up knew some mobsters. It's common, in those neighborhoods to know somebody... Everybody knows somebody who's connected. So, a lot of arguments and disagreements about the stocks and all of that and commissions and whatever, would bring out gangsters, who would try to take advantage of the situation, get their foot in the door, to collect money. So, you needed your own to protect you from them. And that was when my involvement with gangsters happened.

And that all lasted for a whopping 18 months. So, for eighteen months of my life, when I was involved in a stock fraud, there were elements of organized crime who were used for the purposes of protection. Yes, that is a fact, that is true, elements of Italian organized crime. Italian organized crime, there were no Russian organized crime, not once in that stock scam, were there any Russian organized crime figures. Except, my dad was involved with the Russian mob.

BERGMAN: So you say nonchalantly, "My dad was in the Russian mob."

SATER: Yes.

BERGMAN: What's the Russian mob? I mean, we don't...

SATER: Like every generation, every immigrant group that comes here, they have... They're insular. They don't go... They sort of stay to themselves. Gambling... You know your basic, run-of-the-mill racketeering. I say that... I'm trying to be joking. But he had a gambling spot and he owned a piece of a restaurant and when people would fight with each other or have disputes, they would come to him to arbitrate them. Never killed anybody. I'm sure he's gotten into a few fights. My father was convicted for collecting money for, basically... It wasn't extortion, but for businesses in the area who were paying him protection money. And that was his involvement in Russian organized crime.

VOICE OVER: BUT FELIX SATER AND HIS LATE FATHER HAVE BEEN DESCRIBED IN MEDIA REPORTS AS ASSOCIATES OF AN INFAMOUS RUSSIAN ORGANIZED CRIME BOSS, SEMYON MOGILEVICH.

BERGMAN: And so when the name Mogilevich, for instance, a publicly known person who was considered high up in Russian organized crime, is associated with your dad and with you, not true?

SATER: I don't know, have never met, wouldn't know if he fell on me, who Mogilevich is. Have never been involved with him, directly or indirectly. My connection to Mr. Mogilevich... Which is being written about and there's now a documentary that I'm a "lieutenant." Yeah, I mean, come on, you could have at least made me a major! About Mogilevich and, if it's not me, then my father was his lieutenant!

So let me tell you my relationship with Mogilevich. In the mid-2000s, the FBI comes to me and says, "Felix, could you help us?" Something that I've been doing for years, since 1998, is helping them read prospectuses of Wall Street companies, to show them where the scam was. They came to me with a company called Magnex and said, "Could you please look at this because we think there's a Russian gangster named Mogilevich behind it. Do you know who he is?" "I have no idea who he is." They said "Yeah, we didn't think so. Could you look into this company and tell us where you think the scam is?" I said "Sure, no problem." I went home that night, called my dad and said "Dad, do you know a guy named Mogilevich?" My dad said, "Never heard of him." He wasn't defending

anything, it was his son asking. I was asking my dad, "Dad, you know Mogilevich?" He says, "Never heard of him." I went through the prospectus, gave it back to them. And that is my connection with Mr. Mogilevich.

VOICEOVER:

OUR INDEPENDENT REPORTING FAILED TO FIND ANY CORROBORATION OF A DIRECT CONNECTION BETWEEN THAT RUSSIAN ORGANIZED CRIME BOSS AND EITHER FELIX SATER OR HIS FATHER.

SATER: I am not a gangster. In the sense of the word of organized crime, am I a member of organized crime? No, nor have I ever been, ever. Have I had instances in my life when I had an involvement with them? Yes! I'm being honest with you, yes I have. That doesn't make me a gangster.

BERGMAN: So it would be fair, though, to characterize you, that at one time you were an associate of organized crime people? You were either in business with them or friendly with them or shared interests with them?

SATER: Yes.

BERGMAN: And you made money off of that relationship.

SATER: Yes.

BERGMAN: Ok.

SATER: Yes, that would be fair to characterize.

BERGMAN: Well you didn't just associate with these people, you've informed on them to the U.S. government.

SATER: Yes.

BERGMAN: Correct?

SATER: So...

BERGMAN: So they all know...

SATER: I didn't inform on them, I cooperated with the U.S. Government. But I wasn't working for the government against somebody. I was working with the U.S. government against everybody who was our enemies. Foreign

and domestic. Get it? Why haven't they killed me yet? Maybe they will, I don't know. Maybe this is my last interview.

VOICEOVER:

IN 1997, BEFORE HE WAS FORMALLY CHARGED IN THE STOCK FRAUD, FELIX SATER LEFT NEW YORK TO DO BUSINESS IN RUSSIA, WHERE HE SAYS HE WAS RECRUITED BY THE U.S. DEFENSE INTELLIGENCE AGENCY, THE DIA.

SATER: I stopped doing that stock scam, got out of that company, and started a very legitimate company. And from that company I was invited to work on a telecommunications deal in Russia.

REPORTER: What was the people you met [sic] on the Russian side of things, in the 90s?

SATER: Oh, everyone from businessmen...

REPORTER: I mean working in telecommunications...

SATER: Oh, a lot of GRU guys. A lot of Russian intel were in the telecommunications business. And they were enamored with me. I was an American who understood Wall Street, who understood business, who spoke perfect Russian. One day we're sitting at dinner and they turn around and they say "Oh we're going to introduce you to another American guy who works for the CIA, just like you." I said, "Okay, sure." I gave him my phone number. Next day he calls me, and I meet him at an Irish pub right around the corner from where I had an apartment there, and he tells me... We sat down, we spoke... He said "We checked you out," and he goes, "I'm with the Defense Intelligence Agency. And we need you because, literally, we need you to spy on Russia." And that's when he recruited me.

I provided intel on stinger missiles, I provided intel on Osama bin Laden, but I wasn't officially working for them, and then when I subsequently surrendered, I started working through the FBI.

VOICEOVER:

IN 1998, SATER RETURNED FROM RUSSIA TO PLEAD GUILTY TO RACKETEERING IN CONNECTION WITH THAT STOCK FRAUD. HE BEGAN COOPERATING WITH THE FBI IN CASES INVOLVING MEMBERS OF ORGANIZED CRIME.

REPORTER: So was making the decision to work with them difficult for you? Or obvious?

SATER: It was extremely difficult. It was extremely difficult for me. Because growing up in places like Coney Island, growing up in Brooklyn, you know rapping was “Oh my god!” Better to get cancer. Actually, my father was the one who convinced me to do it. Because I was really thinking “No, I won’t” or “Maybe I won’t come back.” Of course I had all of those thoughts. My father said to me, he said, “Son, you’re a businessman. You’re a Wall Street guy. I don’t care what you did, you did something wrong.” He goes, “You’re not a gangster. Everybody cooperates. Go cooperate. If you get some time, you get some time, at least you’ll come out, you’ll be with your family.” He said, “You’re not a gangster so don’t act like one. Go back and cooperate with the government.”

REPORTER: You said you went off the stock scam after 18 months voluntarily.

SATER: Yes.

REPORTER: Why did you leave? I just want to hear more about...

SATER: Because it’s disgusting. From day one, from the bar fight...

REPORTER: Yeah.

SATER: ...through the end of the stock scam, was one long disgusting nightmare. That brought out only the worst people, and the worst situations. But I felt that’s what I was doing to survive. I clearly needed the money.

REPORTER: It’s not clear to me, from hearing this conversation so far, where your income actually comes from. How do you live?

SATER: I’m a real estate developer. I make most of my money from real estate, other businesses that I’m involved with. That’s where I earn my living.

REPORTER: But the fight and the stock scam didn’t prevent you from being active as a businessman, didn’t have a, didn’t place limitations on...?

SATER: It placed extreme limitations on me, but because I was cooperating with the government for over a decade, my stock conviction was sealed and nobody knew about it. So I continued working, without being in the front of these businesses.

I’m saying it right now, on video, on the record, I have never been paid by the U.S. government for the work that I did. I didn’t do it because I was afraid of a big fine for my Wall Street activities.

REPORTER: Have you gotten awards?

SATER: No.

REPORTER: Any recognition?

SATER: Zero.

REPORTER: Private or public?

SATER: Yeah, a slap on the back and a thank you, and a thank you handshake. Basically proof of their opinion of what I did for this country was for the crime that I did commit, they gave me a \$25,000 fine. I'm not a big fan of the government. I didn't do it for the government. I did it for the country. From a sense a patriotism, a sense of desire for action, a sense of trying to, in my own life, in front of myself, do something that's big. Make up for things that I did wrong. Maybe penance. Maybe all of that together. But clearly because I'm a patriot of my country.

Working for DIA, CIA, FBI, hunting Bin Laden, hunting Russian hackers, protecting our country from some of our greatest enemies, tracking down World Trade Center bombers' financial bank accounts. Stopping a potential assassination attempt on George Bush...None of that ever gets reported.

REPORTER: If you had documentary evidence, wouldn't that help your case?

SATER: President Barack Obama's Attorney General, her name is Loretta Lynch, made a statement publicly about my national security work. I hope you're not suggesting that Barack Obama's Attorney General is a liar and she needs to have documentary proof.

REPORTER: It sounds like it's not enough to support the breadth and detail.

SATER: How about just that I worked with the U.S. government on national security issues? How about just that? Does it support just that?

REPORTER: It's the question of to what degree, because you have described it as extremely historically significant and so that's where the journalist wants to say, "Okay, maybe it's true."

SATER: But let's double-check.

VOICEOVER:

SO WE LAUNCHED OUR OWN INVESTIGATION INTO SATER'S CLAIMS - FIRST REPORTED BY BUZZFEED NEWS - CHECKING WITH MULTIPLE LAW ENFORCEMENT AND INTELLIGENCE SOURCES AND REVIEWING OFFICIAL DOCUMENTS.

WHILE SOME SOURCES DISPUTE THE IMPACT OF HIS WORK, THERE IS NO QUESTION THAT FOR MORE THAN A DECADE, FELIX SATER COOPERATED WITH THE U.S. GOVERNMENT PROVIDING INFORMATION AND WORKING UNDERCOVER ON MATTERS OF IMPORTANCE RELATED TO ORGANIZED CRIME, INTERNATIONAL MONEY LAUNDERING, HACKING OF FINANCIAL NETWORKS AND NATIONAL SECURITY.

WHILE HE WAS A GOVERNMENT ASSET, IN 2001, FELIX SATER BECAME AN EXECUTIVE AT A COMPANY CALLED BAYROCK, A REAL ESTATE DEVELOPER, WHICH THEN PARTNERED WITH THE TRUMP ORGANIZATION.

SATER: The reason I started doing business with him was, nobody has branded real estate, right? You have branded vodka, you have branded jeans, you have branded clothes, you have branded everything. He figured out how to brand a piece of real estate, and I wanted to get into real estate. And I thought to myself, if I was going to start promoting a soft drink, I'd love to get a Coca-Cola license, or a franchise. And he was basically selling franchises. I was like "Let's go, I'm in!" And that's how I met him. He had a famous name that I knew that I could resell, basically.

REPORTER: You wanted to be his partner, not a franchiser. And you were...Bayrock was...

SATER: Yeah, we were partners with him on three or four deals.

REPORTER: Trump SoHo.

SATER: Trump SoHo, Trump Fort Lauderdale, two Trump Ft. Lauderdale's, Trump Phoenix. And then we looked at dozens of projects: Trump Paris, Trump London, Trump Moscow. Because that Trump Moscow situation was my third attempt, not my first attempt.

BERGMAN: So Donald Trump didn't know about any of your convictions?

SATER: He knew I had some problems in the past, yes. He didn't have detailed information, but he knew that I had issues in the past.

REPORTER: How did he know that?

SATER: I believe I told him.

REPORTER: Did your partners at Bayrock know anything about that?

SATER: Yes. Anybody that worked with me, especially at Bayrock or anywhere else, that says they didn't know... lying.

BERGMAN: You go into business with him. How important was your ability to tap investors, buyers, in Russia, and how important was it to Trump's organization while you were connected to him, either through Bayrock or afterwards, the flow of Russian money into his enterprise.

SATER: That's a very interesting question. Zero. Zero importance. He was doing the deal with me to build a Trump SoHo, Trump Fort Lauderdale. He was trying... He would license his name to us, get a percentage of the sales, and I think that he was grateful for Russian buyers, Chilean buyers, Polish buyers, Brazilian buyers, or buyers from Wisconsin.

REPORTER: But was part of your pitch to him: "I can bring in a lot of Russian money?"

SATER: No. Part of my pitch was, "We're gonna make a lot of money together." I put together the deals, we'd open up a sales center, and if at the time, Russians were big buyers, we'd advertise to Russians. There was also a time when the Brazilians were big buyers. We'd advertise to Brazilians. We were looking for buyers.

Back then then there were no sanctions. I mean keep in mind prior to 2000, what, 12? When did Putin really become anti-West? In 2006 and 2007 and 2008, we did not have a Russian hysteria going on. We did not have an anti-Russian hysteria going on. We did not have the Ukraine crisis. They were just good customers.

Whether Russian buyers were important? Of course they were important. They were extremely important. Because their checks cleared. Any customer, any customer whose check clears is a good customer.

REPORTER: So what's your relationship to Putin?

SATER: My relationship to Putin?

REPORTER: Isn't there an email where you say "I can put Ivanka in Putin's chair?"

SATER: I did put Ivanka in Putin's chair.

REPORTER: You did. So that makes me think, if you can put me or Ivanka in Putin's chair, which sounds...

SATER: I can't put you in Putin's chair, I can put Ivanka in Putin's chair.

- REPORTER:** That makes me think there's some kind of... you have some kind of access to Putin.
- SATER:** I actually... would if I needed to have access to Putin. I've worked in Russia. I've worked with Russian investors... And that's another part of what I hope to explain to all of you. The U.S. business community is all over the country. We've got very wealthy people in San Francisco, L.A., living everywhere, Chicago... In Russia, pretty much the entire business community, even if they're from other cities, lives in Moscow. There's probably 10,000 important people. When you're talking about only 10,000 people, which means, a big wedding is 500, 1,000 people? So it's one degree removed. They go to dinners with each other. They go to lunches with each other. So would I have access to Putin? I know enough wealthy, successful business people in Russia that within one or two phone calls, yeah, I could get to Peskov, I could get to Patrushev, I could get to any one of the major players. And I'm not asking for anything. I'm coming to them and I'm saying, "We want to build the tallest building in Europe. It will be beneficial for Russia, financially, reputation-wise. We're gonna build the tallest building in Europe, maybe even in the world, right in Moscow." So of course I could get to Putin. Of course I could get to him. Get to him how? Through a business deal. Through promoting. Through pitching. Through salesmanship.
- All of these questions about "Trump did business with Russian buyers." Where did the money come from? Banks? U.S. banks. And who were the lawyers who handled the closings? You know, your average major U.S. law firms who were representing these people.
- BERGMAN:** Yeah, but don't you have to know where the money is coming from?
- SATER:** Who has to know? The lawyer representing the customer, the bank, or the real estate developer selling the unit?
- BERGMAN:** All three.
- SATER:** The real estate developer does not need to know who the buyer of a unit is. He doesn't care. There is no law that says he has to know. Somebody shows up to buy a unit from you. It's not a developer's job to ask him, "Where did you get your money from?" No. Your question is: "The kitchen cabinets, would you like them white or gray? Can we sell you some more add-ons?"
- REPORTER:** I'd like to know your opinion about this...

SATER: Sure.

REPORTER: Is this why real estate in general has attracted a lot of money laundering. Why it's an attractive vehicle for money laundering?

SATER: No, diamonds are better. They're untraceable. Diamonds are much better. You could have one diamond that's worth eight million dollars. You could go on 47th street and spend a hundred million dollars tomorrow on diamonds in one hour. But real estate, for a money launderer, is not a great scheme. It's a lot of lawyers, a lot of paperwork involved, a lot of people know what you're doing, U.S. Treasury, that's... Don't kid yourself. It is not, it is by far not a great place to stash your money. You know, you try to stash your money in a place like Cyprus and hide it from everybody. Not announce it by buying a unit in Trump Towers.

REPORTER: Is it to your advantage or disadvantage if President Trump remains in the White House?

SATER: I believe it is to my disadvantage. I could have lived the rest of my life and have been forgotten. Being Donald Trump's "margarita glass wielding Russian gangster partner" is not a title that I would like to see, and I don't want it written about, and I...

BERGMAN: He says he wouldn't recognize you if you walked in the room.

SATER: Yes, he does. Yes he does, doesn't he?

BERGMAN: Is that a statement of fact?

SATER: You'll have to ask him. I am telling you I have met him hundreds, maybe thousands of times. And my office was third door down from him. And prior to that, for about eight years, two floors down from him.

REPORTER: So how does that make you feel when you see him saying something like that, just dismisses you?

SATER: Very disappointed.

REPORTER: It makes you feel?

SATER: Very disappointed.

BERGMAN: So when we first met you said you're a salesman.

SATER: Yes, I am.

BERGMAN: And you always tell the truth, but you don't necessarily tell someone everything.

SATER: Well, telling the truth is not saying everything. What comes out of my mouth will never be a lie.

BERGMAN: So he's a salesman who doesn't always tell the truth?

SATER: I've also, came to the conclusion that saying good or bad things about the President is clearly not in my interest.
Look, my opinion of Donald Trump is very simple. He is a master at promoting himself. And I think what most people don't understand, and what most people don't realize, is that he understands that the country has a short memory. And what everybody remembers is what they read last. So the important part is to always be in the news. Always be in the press. If you're promoting and selling, always be in the press. It's repetitive. It's subliminal advertising. Yeah, they could be writing negative things about you but two years from now, what do they remember? "Oh yeah, yeah, I remember reading about that guy." What they remember, nobody remembers. But I think that if the press decided not to speak about him for a week, I think he would personally streak naked through the front lawn of the White House and call the press to make sure they took pictures.

REPORTER: Do you regret associating yourself with Donald Trump and working so much with him? After all that's happened?

SATER: The one thing I regret is the bar fight. And I could be on Wall Street, or running a fund, or working in a VC in Silicon Valley and enjoying my life, making a lot of money and going to fine restaurants. That's what I truly regret. The rest of it is my life. And what happened, happened, and I don't look back on things in a matter of regret. I made a decision to work with him. I did well working with him. I made money. I was doing it for business, not for glory, glamour or anything else. And now he became President of the United States, and that has had some very negative impacts on me, not positive. There was nothing positive that has happened to me because of Donald Trump becoming President of the United States.

REPORTER: Do you think Mueller's doing a good job with the investigation?

- SATER:** Do I think Mueller's doing a good job on the investigation? Well since I don't know what he's doing, who he's interviewing, the questions that he's asking or the conclusions that he's drawing, I have no idea. I would think that, because I know some of the people that are involved there, because I have worked with the Eastern District for a long time, and because the people that are very close to the investigation, I know. I know them to be very smart, credible hard-working people. So I suspect he's doing a good job.
- BERGMAN:** Did you enjoy the interrogation?
- SATER:** I'm sorry, I will not speak or answer anything about any active investigations by Mueller or his team in this conversation.
- BERGMAN:** I confirmed you met and been interviewed by Mueller.
- SATER:** Then why are you asking me? 'Cause you know already.
- BERGMAN:** This is actually my last question. I'm not going to mention his name, but a former FBI official, who was very familiar with you and your activities said to me, "What I don't understand is why Felix is still alive. Between the Italian Mafia and the Russian organized crime, and the public stories about him, either they're not as powerful as they once were, or he's got a charmed life."
- SATER:** I'd like to think it's a charmed life. It's funny, because people ask me, "You know, of all the various people that you've dealt with, I mean, you've dealt with businessmen and politicians and gangsters and terrorists and God knows who you've dealt with. How did you get into those rooms?" I'll tell you how I got in those rooms. What's more interesting is, how in the hell did I get out? And I don't know. Felix, maybe I'm a cat, maybe I do have nine lives. Maybe that's what it is. I don't know.